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**IN THE SUPERIOR COURT OF THE STATE OF ARIZONA  
IN AND FOR THE COUNTY OF MARICOPA**

STATE OF ARIZONA,

Plaintiff,

v.

DAVID JOHN LEYSHON (001),

Defendant.

Case No:

61 SGJ 61

**INDICTMENT**

CHARGING VIOLATIONS OF:

COUNT 1: FRAUDULENT SCHEME  
AND ARTIFICE,  
A Class 2 Felony, A.R.S. § 13-2310.

COUNT 2: SECURITIES FRAUD,  
A Class 4 Felony, A.R.S. § 44-1991.

COUNT 3:  
TRANSACTIONS BY UNREGISTERED  
DEALERS OR SALESMEN  
A Class 4 Felony, A.R.S. § 44-1842.

COUNT 4: THEFT,  
A Class 2 Felony, A.R.S. § 13-1802.

The Arizona State Grand Jury accuses DEFENDANT DAVID JOHN LEYSHON,  
charging on this 17<sup>th</sup> day of September, 2007, that:

**COUNT 1 (FRAUDULENT SCHEME AND ARTIFICE)**

From about December 2004 to about March 2006, DEFENDANT DAVID JOHN  
LEYSHON, dba LEYSHON CAPITAL MANAGEMENT ("LCM"), pursuant to a scheme or

artifice to defraud, knowingly obtained a benefit by means of false or fraudulent pretenses, representations, promises or material omissions, in violation of A.R.S. §§ 13-2310, 13-701, 13-702, 13-702.01, and 13-801.

This conduct occurred when Defendant, purportedly acting as an “investment advisor,” obtained about \$350,000 from persons whom he persuaded to open accounts at LCM on the false and fraudulent pretenses, representations and promises that Defendant and LCM would use the funds in those accounts to purchase and sell investments; namely, securities, for the benefit of the account holders, and that the only funds Defendant or LCM would withdraw from those accounts for their own benefit would be an annual fee of not more than 1% of the account.

When obtaining these funds, Defendant failed to disclose to investors material facts, including the following:

1. That in December 2004, Defendant was discharged by his then-employer, Synergy Investment Group, LLC., for misconduct related to his handling of investor funds;
2. That after December 2004, Defendant was not licensed to provide investment advisor services in Arizona;
3. That after December 2004, Defendant was not registered as a securities salesman in Arizona;
4. That LCM was never licensed to do business in Arizona;
5. That LCM was never registered as a securities dealer in Arizona;
6. That Defendant would commingle investor funds with his personal funds;
7. That Defendant would convert to his own use investor funds far exceeding the fees he and LCM were authorized to withdraw from investor accounts; and,
8. That Defendant would use funds from some investors to make payments to other investors.

## **COUNT 2 (SECURITIES FRAUD)**

From or about December 2004 to about March 2006, DEFENDANT DAVID JOHN LEYSHON, in connection with a transaction or transactions within Arizona involving an offer to sell or buy securities, or a sale or purchase of securities, directly or indirectly employed any device, scheme or artifice to defraud and made untrue statements of material fact or omitted to state any material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, in violation of A.R.S. §§ 44-1991, 44-1995, 44-1801, 13-701, 13-702, 13-702.01, and 13-801.

This conduct occurred when Defendant obtained funds from investors for the purported purpose of buying and selling securities for the accounts of those investors, and he did so by means of the scheme, artifice, misrepresentations and omissions, described in Count 1.

## **COUNT 3 (TRANSACTIONS BY UNREGISTERED DEALERS AND SALESMEN)**

From about December 2004 to about March 2006, DEFENDANT DAVID JOHN LEYSHON sold, bought, offered to sell, or offered to buy securities within or from Arizona, and Defendant was not registered with the Arizona Corporation Commission as a securities dealer or salesman, in violation of A.R.S. §§ 44-1842, 44-1801, 13-701, 13-702, 13-702.01, and 13-801.

This conduct occurred to the extent that Defendant actually did engage in securities trading with funds that were entrusted to him for the investment purposes described in Count 1.

**COUNT 4 (THEFT)**

From about August 2003 to about March 2006, DEFENDANT DAVID JOHN LEYSHON knowingly and without lawful authority converted for an unauthorized term or use property of another that was entrusted to said Defendant or placed in his possession for a limited, authorized term or use, and the property had a value of \$100,000 or more, in violation of A.R.S. §§ 13-1802, 13-1801, 13-701, 13-702, 13-702.01, and 13-801.

This conduct occurred when Defendant, after obtaining about \$350,000 in funds from investors for the authorized purposes described in Count 1, thereafter without lawful authority converted to his own personal use, and to other unauthorized uses, more than \$100,000 of those funds.

Pursuant to A.R.S. § 21-425, the State Grand Jurors find that the offenses described above were committed in or from Maricopa County, Arizona.

A True Bill  
(A "True Bill")

TERRY GODDARD  
ATTORNEY GENERAL  
STATE OF ARIZONA

Dated: 9/17/07

E. G. NOYES, JR.  
Assistant Attorney General

Pamela KemBrough  
Foreperson of the State Grand Jury